IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

IN RE APPLICATION OF: WILLIAM D. KIRSCH *ET AL.*	EXAMINER: R.W. MORGAN
APPLICATION NO.: 09/784,045	ART UNIT: 3626
FILED: FEBRUARY 16, 2001	CONF. NO: 2531

FOR: **SYSTEM AND METHOD FOR STANDARDIZED AND AUTOMATED APPEALS PROCESS**

MS Appeal Brief - Patents
Commissioner for Patents
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REPLY BRIEF

Appellants are appealing the rejection of claims 1-11, 14-21 and 23 dated August 31, 2009. As set forth under 37 C.F.R. § 41.41, this Reply Brief is filed within two months of the filing of the Examiner's Answer. Appellants request that the rejection of claims 1-11, 14-21 and 23 be reversed. A Request for Oral Hearing is filed concurrently.

    (1)   **Grounds of Rejection to be Reviewed on Appeal**

    (a)   The rejection of claim 23 as containing new matter is appealed.

    (b)   The rejection of claims 1, 3, 4, and 6-8 as obvious in light of Burchetta is appealed.

    (c)   The rejection of claims 2 and 11 as obvious in light of Burchetta in combination with Israel is appealed.

    (d)   The rejection of claim 5 as obvious in light of Burchetta in combination with Barber is appealed.

    (e)   The rejection of claims 9 and 10 as obvious in light of Burchetta in combination with Official Notice is appealed.

(f)   The rejection of claim 14 as obvious in light of Burchetta in combination with Newswire is appealed.

(g)   The rejection of claims 15-21 as obvious in light of Burchetta in combination with Newswire is appealed.

(h)   The rejection of claim 23 as obvious in light of Burchetta in combination with Newswire and Official Notice and in combination with Israel is appealed.

(2)   Argument

A. Claim 23 does not introduce new matter as alleged in Grounds of Rejection (1)(a).

In the Examiner's Answer, this rejection of claim 23 was withdrawn. Appellants thank the Examiner for this clarification. The Examiner noted that the rejection of claim 22 under 35 U.S.C. §112, first paragraph, has been maintained. Appellants note that claim 22 has been withdrawn and is not currently pending. Appellants, therefore, do not address that rejection in here. Appellants reserve the right to respond substantively to the rejection of claim 22 in a future paper.

B. Burchetta does not teach an appeal that relates to a request for reconsideration of a claim adjudicated by an insurer and there is no evidence in the record to support the assumptions relied upon by the Examiner in rejecting claims 1-11 and 14 in Grounds of Rejections (1)(b)-(e).

Claims 1-11 and 14 stand rejected under 35 U.S.C. §103(a) as being unpatentable over U.S. Patent No. 6,330,551 entitled "Computerized Dispute Resolution System and Method" by Burchetta et al. ("Burchetta"), alone or in combination with other references.

Independent claims 1, 2, 3 and 7 of present application recite that "the appeal is a request for reconsideration of a claim adjudicated by an insurer." Independent claims 4, 8, 11 and 14 recite that "the appeal...information relates to a request for reconsideration of a claim adjudicated by an insurer." Burchetta, however, does not describe "a request for reconsideration of a claim adjudicated by an insurer." Rather, Burchetta is directed to "a computerized system for automated

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dispute resolution...for communicating and processing <u>a series of demands to satisfy a claim</u> made by or on behalf of a person involved in a dispute with at least one other person and <u>a series of offers to settle the claim</u>." (Burchetta at col. 3, lines 47-52, emphasis added.) Thus, Burchetta only describes an iterative negotiation process whereby two parties can negotiate a specific dollar amount for settlement of a claim.

The Examiner has admitted that Burchetta fails to teach an appeal that is a request for reconsideration of a claim adjudicated by an insurer. (*See,* Examiner's Answer at 5.) The Examiner recognized this shortcoming of Burchetta and stated that "[t]he Examiner considers a dispute that is not pending as a claim that has been adjudicated by one of the parties involved such as the insurer." (Examiner's Answer at 5.) Appellants respectfully submit that Burchetta does not teach or suggest an "appeal" that is "a request for reconsideration of a claim adjudicated by an insurer." Rather, Burchetta only describes a "demand" which is defined by Burchetta to be "the amount of money required by the person having a claim...against another person...such as a defendant or his insurer, for which the person with the claim would be willing to settle." (Burchetta at col. 3, lines 54-57.)

In the Examiner's Answer, the Examiner stated, and Appellants do not disagree, that Burchetta teaches a computerized system for automated dispute resolution of claims that may or may not be in litigation. (Examiner's Answer at 32.) In contrast to the limitations of the appealed claims, however, Burchetta presupposes that a cognizable claim for money against an insurer or another party already exists. The systems and methods recited in the claims are not directed to an individual having a claim for any amount of money. Rather, the pending claims relate to sending information to an appeal unit for reconsideration of a claim adjudicated by an insurer. The claims do not recite a demand for money or the transfer of any amount of money from one party to another, *per se.*

Because Burchetta fails to teach the claim limitation of a "request for reconsideration of a claim adjudicated by an insurer," the Examiner attempted to provide that teaching without relying

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on Burchetta by simply stating what the Examiner considers the automated dispute process of

Burchetta to be. Appellants respectfully submit that the Examiner has impermissibly considered

the automated dispute of Burchetta to be as he has described it and has failed to identify any basis

in Burchetta for the Examiner's conclusion.

As noted above, in the Examiner's Answer at 5, the Examiner stated that "[t]he Examiner

considers a dispute that is not pending as a claim that has been adjudicated by the one of the parties

involved such as the insurer." Appellants submit that it is an insufficient basis for a rejection of the

claims that "the Examiner considers" the demand for money disclosed by Burchetta to disclose

limitation of a "request for reconsideration of a claim adjudicated by an insurer." It is insufficient

because the Examiner has failed to provide any evidence at all for his "consider[ation]." Similarly,

the Examiner stated that "common sense in the art suggests that…Burchetta's automated dispute

resolution handles the dispute of the claims after the insurance company has made a decision and

then the defendant, or his insurer make a series of offers to settle a claim." (Examiner's Answer at

32.) The Examiner has failed to provide any evidence at all for this statement of "common sense in

the art." As discussed above, there is no teaching or suggestion in Burchetta of a "request for

reconsideration of a claim adjudicated by an insurer." Therefore, it is not "common sense in the

art" that Burchetta discloses the claim limitation by which "the appeal is a request for

reconsideration of a claim adjudicated by an insurer."

Examiner supported this rejection with a citation to *In re Graves,* 36 USPQ 2d 1697 (Fed.

Cir. 1995). (*See,* Examiner's Answer at 32.) Appellants respectfully submit that *In re Graves* does

not support the Examiner's rejection here because *In re Graves* requires that the Examiner rely on

evidence in the record that one of ordinary skill in the art would make the same consideration. In

an analogous situation, the Board in *Ex parte Donaldson* (Unpublished BPAI opinion in Appeal

No. 1998-0595), concluded that *In re Graves* was inapplicable:

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As for the Federal Circuit's decision in *In re Graves...*, which the examiner also cited, it appears that the examiner is relying on the notion that what is otherwise known to one with ordinary skill in the art need not be described in a prior art reference. That, however, does not help the examiner's position here, because the examiner has made <u>no demonstration based on evidence in the record</u> that putting a spindle synchronization command...was known to one of ordinary skill in the art.

(Ex parte Donaldson, emphasis added.) The only basis for the Examiner's rejection of the pending claims as obvious is a review of Appellant's disclosure and the application of an unsupported consideration. The Examiner's unsupported consideration that the automated dollar disputes of Burchetta are claims that have been adjudicated by an insurer cannot form a basis for a rejection of the claims. The Examiner's basis for the rejection in this case is no better supported than the basis found to be insufficient in *Ex parte Donaldson* which, while not precedential, is indicative of how the Board addresses this type of issue.

Appellants respectfully submit that the MPEP also suggests that this rejection should be reversed. MPEP §2144.03 relies on *In re Zurko* and states that "[i]t is never appropriate to rely solely on 'common knowledge' in the art without evidentiary support in the record, as the principal evidence upon which a rejection was based. *In re Zurko,* 258 F.3d 1379, 1385,59 USPQ2d 1693, 1697 (Fed. Cir. 2001) ('[T]he Board cannot simply reach conclusions based on its own understanding or experience-or on its assessment of what would be basic knowledge or common sense. Rather, the Board must point to some concrete evidence in the record in support of these findings.')".

As the court held in *Zurko,* an assessment of basic knowledge and common sense that is not based on any evidence in the record lacks substantial evidence support. *Id.* at 1385, 59 USPQ2d at 1697. *See also In re Lee,* 277 F.3d 1338, 1344-45,61 USPQ2d 1430, 1434-35 (Fed. Cir. 2002) (In reversing the Board's decision, the court stated "'common knowledge and common sense' on which the Board relied in rejecting Lee's application are not the specialized knowledge and expertise contemplated by the Administrative Procedure Act. Conclusory statements such as those

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here provided do not fulfill the agency's obligation....The board cannot rely on conclusory

statements when dealing with particular combinations of prior art and specific claims, but must set

forth the rationale on which it relies.").

Because Burchetta fails to teach "a request for reconsideration of a claim adjudicated by an

insurer" and the Examiner cannot rely on unsupported considerations to fill that gap, Appellants

respectfully request that the rejection of claims 1-11 and 14 be reversed.

**C. Burchetta does not teach electronically assigning a substantially unique appeal
number to the collected data, the appeal number associating the appeal data with the user
profile in a computerized system and there is no evidence in the record to support the
assumptions relied upon by the Examiner in rejecting claim 14 in Grounds of Rejection (1)(f).**

Claim 14 stands rejected under 35 U.S.C. §103(a) as being unpatentable over Burchetta in

combination with Newswire.

Independent claim 14 of present application recites "electronically assigning a substantially

unique appeal number to the collected data, the appeal number associating the appeal data with the

user profile in a computerized system." In the Examiner's Answer at 24, the Examiner recognized

that Burchetta fails to teach this limitation. The Examiner then relied on Newswire to complete the

obviousness rejection, stating that "[t]he Examiner interprets sorting by date and the provider ID"

to teach the claim limitation of "assigning a substantially unique appeal number to the collected

data." (Examiner's Answer at 24.)

Appellants submit that it is an insufficient basis for a rejection of the claims that "the

Examiner interprets" a basic sorting function to disclose the claim limitation of "assigning a

substantially unique appeal number to the collected data." It is insufficient because the Examiner

has failed to provide any evidence at all for his conclusion. There is no suggestion of any sort in

Newswire that the capability to sort data is, in any way at all, related to a "substantially unique

appeal number." The Examiner has identified no teaching in Newswire at all that supports the

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Examiner's conclusion. Rather, the Examiner has merely provided an unsupported statement that Newswire is "interpret[ed]" to teach the claim limitation.

In the Examiner's Answer at 32, the Examiner introduced the argument that "[t]he Burchetta reference suggests that a unique appeal number is assigned to each case since the system can only be accessible upon entry of a case identification number (i.e. assigned unique appeal number) and security codes." Appellants submit that this disclosure in Burchetta does not teach or suggest these claim limitations. Claim 14 recites:

> collecting user profile information and appeal data from a data provider;
> electronically storing the collected data in a computerized appeals database;
> electronically assigning a substantially unique appeal number to the collected
>   data, the appeal number associating the appeal data with the user profile in
>   a computerized system.

Claim 14 requires collecting "user profile information" and "appeal data." A "substantially unique appeal number" is then assigned which performs "associating the appeal data with the user profile in a computerized system." There is no disclosure in Burchetta of a "user profile." As discussed above, there is also no disclosure in Burchetta of an "appeal." As a result, there is no and can be no disclosure of any instrumentality that performs "associating the appeal data with the user profile."

Furthermore, there is no disclosure in Burchetta that any of the disclosed numbers or codes are "substantially unique" or that the numbers or codes are the result of "electronically assigning." For these additional reasons, Burchetta does not teach these claim limitations.

In light of the lack of supporting evidence or rationale in the prosecution record, Appellants respectfully request that the rejection of claim 14 be reversed.

D. Burchetta does not teach an appeal that relates to a request for reconsideration of a determination of entitlement to benefits or services and there is no evidence in the record to support the assumptions relied upon by the Examiner in rejecting claims 15-21 and 23 in Grounds of Rejections (1)(g) and (1)(h).

Claims 15-21 and 23 were also rejected under 35 U.S.C. §103(a) as being unpatentable over Burchetta. Independent claims 15 and 21 recite that "the appeal relates to a request for reconsideration of a determination of entitlement to benefits or services." Independent claim 23 recites that "the appeal relates to a request for reconsideration of a determination of entitlement to a benefit, service or payment."

In the Examiner's Answer at 25, the Examiner stated that this limitation is taught by the description in Burchetta of a central processing unit that receives information corresponding to three settlement offers and that a plaintiff or claimant can enter three demands over a period of time. (*See,* Examiner's Answer at 25 and Burchetta at col. 2, lines 3-6.) While Appellants acknowledge that Burchetta teaches receipt of a series of demands and offers, Appellants respectfully submit that Burchetta does not teach or suggest any form of "appeal" that "relates to a request for reconsideration of a determination of entitlement to benefits or services."

As discussed above, Burchetta is not analogous and is completely unrelated to the limitations recited in the appealed claims. Burchetta describes only that a "demand" is "the amount of money required by the person having a claim...against another person...such as a defendant or his insurer, for which the person with the claim would be willing to settle." (Col. 3, lines 54-57.) Burchetta describes that an "offer" is "the amount of money the defendant or the insurance company will settle the claim." (Col. 3, lines 61-63.) Thus, the offer and demand of Burchetta are nothing more than dollar amounts. Burchetta describes a process whereby two parties can agree, through a negotiation process, on a dollar amount to be paid on a claim. Burchetta does not describe anything that relates to a "determination of entitlement."

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In the Examiner's Answer, the Examiner has not provided any support for the conclusion that Burchetta teaches the claim limitation. (*See*, Examiner's Answer at 25.) Appellants respectfully submit that, as discussed above, the Federal Circuit and the Board have found that this type of unsupported consideration cannot form a basis for a rejection of the claims and respectfully request that the rejection of claims 15-21 and 23 be reversed.

E. Newswire does not teach selecting a reason for an appeal of a denial as alleged in Grounds of Rejection (1)(g) and (1)(h).

Claims 15-21 and 23 stand rejected under 35 U.S.C. §103(a) as unpatentable over Burchetta in view of a press release entitled "Cardiff Software Announces TELEform MediClaim Module" ("Newswire").

Newswire teaches software for automated medical claims processing. Newswire describes that the software begins by optically scanning handwritten or machine print medical claim forms. After recognition, the data is then validated. Newswire teaches, at paragraph 13, that the validation step includes checking for mismarked or illegible entries, correcting errors, and checking all fields for formatting and content. After validation, the software can export data in certain standard formats. The validation of Newswire is nothing more than a check to confirm that the data read in does not have obvious faults. Thus, the Examiner's statement that "[t]he Examiner interprets the validation step to include selecting or identifying a reason for an appeal of a denial" has no support in the reference. (*See*, Examiner's Answer at 34.)

In rejecting claims 15-21 and 23, the Examiner recognized that Burchetta fails to teach associating appeal data with one or more bases for an appeal and turned to Newswire to complete the obviousness rejection. (*See,* Examiner's Answer at 25-26.) Appellants submit that Newswire also fails to teach the limitations of "automatically selecting a reason for an appeal of the denial, the selection being based upon the appeal data" of claim 15 or "processing the stored appeal data to identify a basis for an appeal" of claim 21.

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Appellants do not disagree with the Examiner that Newswire teaches a MediClaim module that performs optical character recognition (OCR) and validation on medical claim information. (Examiner's Answer at 26.) However, Appellants respectfully submit that Examiner has misinterpreted the validation step to include generating a reason for an appeal. Appellants submit that Newswire is unrelated to the limitations recited in the appealed claims and does not teach "selecting a reason for an appeal."

Appellants submit that Newswire fails to teach selecting a reason for an appeal based upon appeal data, automatically or otherwise. Newswire does not teach a system capable of selecting a reason of any kind for any purpose. Newswire teaches a very simple system that performs OCR on medical claim data and then checks that data to ensure that it complies with certain conventions. There is no suggestion that an appeal has taken place or will take place. There is also no suggestion of a basis for such an appeal.

In the Examiner's Answer at 26-27, the Examiner stated that the customized validations on ICD-9 and CPT data teach "data descriptive of a plurality of insurance appeals." Appellants submit that one of ordinary skill in the art would recognize that ICD-9 and CPT data are diagnostic and treatment coding schemes. These schemes provide standardized codes for medical procedures and have the general purpose of facilitating billing and data collection for medical procedures and conditions. Even if the codes referenced in Newswire could somehow be used in connection with an insurance appeal, there is no suggestion anywhere in Newswire that these standardized codes can be the basis for selecting a reason for an insurance appeal.

Appellants therefore respectfully request that the rejection of claims 15-21 and 23 be reversed.

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F. The prior art fails to teach automatically identifying a regulatory agency as alleged in Grounds of Rejection (1)(h).

The Examiner rejected claim 23 as unpatentable over Burchetta in combination with Israel and in combination with Newswire and further in view of Official Notice.

The rejection of claim 23 appears to rely upon Newswire to teach the claim limitation of "an appeal submission...according to a predetermined format." As discussed above, Newswire never mentions an appeal and therefore does not teach an appeal submission...according to a predetermined format.

In rejecting claim 23, the Examiner recognized that neither Burchetta nor Newswire teach the claim limitation of

> an identification of a state in which a health care service was provided; and
> an identification of a type of health care insurance;
> automatically identifying a regulatory agency appropriate for an appeal using the
> computerized appeals processor, the identification being based upon the
> identified state and the type of health care insurance in the received appeal
> data.

(*See*, Examiner's Answer at 30.) To complete the obviousness rejection, the Examiner took Official Notice "that in the medical industry state laws and regulations provide guidance to physician and patient in determine [sic] reimbursement amounts or appeal information for health insurance claims." The Examiner then concluded that "it would have been obvious to...include identifying the state and type of health care insurance regarding the appeal information with the system [of Burchetta and Newswire]." (Examiner's Answer at 30.)

Appellants submit that the Examiner has not made a prima facie case of obviousness. The Examiner has not alleged that any prior art reference teaches "<u>automatically</u> identifying a regulatory agency... the identification being based upon the identified state and the type of health care insurance."

Furthermore, Appellants do not concede that it is a common fact appropriate for Official Notice that "laws and regulations...determine reimbursements amounts of appeal information." Reimbursement amounts in this context are more properly a matter of contract between the insured and insurer. Appellants are unaware of any law or regulation that mandates reimbursement amounts on an appeal and the Examiner has not identified any such law or regulation. Appellants further submit that the Official Notice, even if based on well-known facts or common knowledge, is insufficient to support the rejection. The purported fact that medical industry regulations inform parties of reimbursement amounts for insurance claims is irrelevant to and fails to teach "automatically identifying a regulatory agency appropriate for an appeal."

In the Examiner's Answer, the Examiner has cited to Israel *et al.* for the teaching that "parties may chose to have their dispute forwarded to a mediator or arbitrator via a network communication channel." (Examiner's Answer at 34.) The Examiner then concluded that "As such, the knowledge of automatically identifying a regulatory agency, in general, has clearly existed in the art." (*Id.*) Appellants submit that there is no teaching or suggestion in Israel of "automatically identifying a regulatory agency... the identification being based upon the identified state and the type of health care insurance" and the simple suggestion of forwarding a dispute to a mediator or arbitrator fails to disclose the claim limitation.

It is axiomatic that in forming an obviousness rejection, each claim limitation must be identified in the prior art. In rejecting claim 23, the Examiner recognized that the prior art fails to teach certain claim limitations, took Official Notice of a purported fact that also does not teach the missing limitation, and then rejected the claim as obvious in light of that purported fact. Appellants submit that the Examiner has not identified any teaching of "automatically identifying a regulatory agency appropriate for an appeal" in the prior art. Appellants therefore respectfully request that the rejection of claim 23 be reversed.

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G. Conclusion

Appellants submit that the pending dependent claims are also patentable for the reasons

given above and respectfully request reversal of the rejections.

In the event the U.S. Patent and Trademark Office determines that an extension and/or other

relief is required, Appellants petition for any required relief including extensions of time and

authorizes the Commissioner to charge the cost of such petitions and/or other fees due in

connection with the filing of this document to Deposit Account No. 03-1952 referencing docket no.

462322000100.

Dated: July 26, 2010   Respectfully submitted,
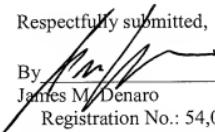
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